

**Enclosed with this mailing you should find:**

- A refund permit application
- A direct deposit application for claimants who wish to have their refunds deposited directly into their bank accounts

**Common questions**

The following section addresses some common questions regarding motor fuel tax refund procedures implemented by the Iowa Department of Revenue.

**Why do I need to complete these forms?**

You must complete and return the enclosed permit application if you wish to receive an Iowa motor fuel tax refund. Refunds cannot be applied for or issued until your application is approved.

**Do I need to obtain a refund permit?**

No. There are two options available where no refund permit is needed. These options are:

1. You may purchase dyed diesel fuel tax-free. Since there is no tax on this purchase, there is no need for a refund permit.
2. You can claim a credit on your income tax return. (Form IA 4136)

**How do I claim a credit on my income tax return?**

You can claim a credit against your income taxes by completing form IA 4136 and attaching it to your year-end income tax return. Both individuals and corporations can take advantage of this method. However, the income tax credit is not available for refunds relating to casualty losses, transport diversions, pumping credits, blending errors, idle time, power take-offs, reefer units, export by distributors, and excess tax paid on gasohol. If you are using diesel fuel for an exempt purpose, buy dyed fuel whenever possible. A credit can be claimed on an income tax return for a period up to three years.

The income tax credit cannot be claimed for any year in which a motor fuel refund claim has been filed.

**Are there limitations on when I may file refund claims?**

Yes. Claims must be filed within three years of the invoice date. In addition, claims should not be made for amounts under \$60. If the \$60 minimum is not met within the allowed time frames, a credit may be taken on the income tax return by using form IA 4136. A refund of less than \$60 will be allowed if the claimant is not required to file an income tax return or if the type of refund is not allowed to be taken as a credit on an income tax return.

**If I choose to apply for a motor fuel tax refund permit, how will I file refund claims?**

For most types of claims, you will be given a toll-free telephone number and password information allowing you to provide the details of your refund claim to an operator. We believe this will expedite the refund process. An information package along with your permit number will be forwarded to you upon approval of your application. Allow 4 - 6 weeks for processing of your application. Claims relating to transport diversions, casualty losses, blending errors and excess tax paid on gasohol must still be filed on paper. The department has forms available upon request for those types of claims.

To file idle time or power takeoff claims, you must have a pre-approved study on file with the department explaining how you intend to compute the credit. For more information about idle time and power takeoff claims, call (515) 242-6829 or send an e-mail to [idrmotorfuel@iowa.gov](mailto:idrmotorfuel@iowa.gov). For help with other claim types, call (515) 281-3114 (from Des Moines or outside Iowa), 1-800-367-3388 (from elsewhere in Iowa, Omaha, Rock Island, Moline), or contact us by e-mail at [idr@iowa.gov](mailto:idr@iowa.gov).